

**THE CHURCH UNITED FOR  
COMMUNITY DEVELOPMENT**

**FINANCIAL REPORT**

**December 31, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-9-06

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**Salter** Public  
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## **THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**

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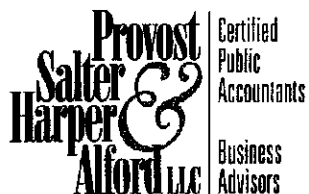
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## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Directors  
The Church United for Community Development

We have audited the accompanying statements of financial position of The Church United for Community Development (a nonprofit organization) as of December 31, 2005 and 2004 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of The Church United for Community Development as of December 31, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 18, 2006 on our consideration of The Church United for Community Development's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Accounting Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of The Church United for Community Development taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133,

"Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

PROVOST, SALTER, HARPER & ALFORD, LLC

Provost, Salter, Harper & Alford, LLC

May 18, 2006

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**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**

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*Statements of Financial Position**December 31, 2005 and 2004*

<b>ASSETS</b>	<b>2005</b>	<b>2004</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 127,070	\$ 8,074
Notes receivable	50,000	90,000
Contractual reimbursements receivable	36,060	50,739
Prepaid and other	21,781	19,751
Total current assets	234,911	168,564
<b>Land, Buildings and Equipment</b>		
Net of accumulated depreciation and amortization	626,192	652,174
<b>Total Assets</b>	<b>\$ 861,103</b>	<b>\$ 820,738</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Notes payable and current maturities of long term debt	\$ 190,574	\$ 188,270
Accounts payable	5,142	35,118
Accrued expenses	1,158	-
Total current liabilities	196,874	223,388
<b>Long term debt less current maturities</b>	<b>275,375</b>	<b>277,816</b>
<b>Net Unrestricted Assets</b>		
Undesignated, available for general activities	228,611	133,446
Net investment in fixed assets	160,243	186,088
Total unrestricted net assets	388,854	319,534
<b>Total Liabilities and Net Assets</b>	<b>\$ 861,103</b>	<b>\$ 820,738</b>

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**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**

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*Statements of Activities**Years Ended December 31, 2005 and 2004*

	2005	2004
<b>Unrestricted Net Assets</b>		
<b>Public Support and Revenue</b>		
Contractual governmental support	\$ 363,084	\$ 1,445,682
Contributions	324,054	128,125
Other income	46,849	27,754
In kind contributions	74,147	148,237
Rental income	21,947	36,464
Interest income	14,572	-
Gain on sale of property	-	15,368
<b>Total Public Support</b>	<b>844,653</b>	<b>1,801,630</b>
<b>Expenses</b>		
Program services		
Residential center	87,639	63,307
Community Outreach	166,509	-
After School Tutoring	329,069	331,990
Literacy training	90,123	486,520
Employment training	13,143	495,306
Low income housing	25,954	82,689
<b>Total program services</b>	<b>712,437</b>	<b>1,459,811</b>
Supporting services		
Management and general	62,897	228,143
<b>Total Expenses</b>	<b>775,334</b>	<b>1,687,954</b>
<b>Total Increase in Unrestricted Net Assets</b>	<b>69,319</b>	<b>113,676</b>
<b>Net Assets, Beginning of Year</b>	<b>319,535</b>	<b>205,859</b>
<b>Net Assets, End of Year</b>	<b>\$ 388,854</b>	<b>\$ 319,535</b>

*See Notes to Financial Statements.*

# THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT

## Statement of Functional Expenses

Year Ended December 31, 2005

	Residential Center	Community Outreach	After School Tutoring	Program Services					Total	Supporting Services	Management and General	Totals
				Literacy Training	Employment Training	Low Income Housing	Program Services	Management and General				
<b>Salaries and Related Benefits</b>												
Salaries	\$ 30,571	\$ 48,323	\$ 217,337	\$ 56,072	\$ 7,451	\$ -	\$ 359,754	\$ 35,847	\$ 395,601			
Employee health and retirement benefits	-	-	4,521	552	-	-	5,073	-	5,073			
Payroll taxes and other	2,554	4,034	16,626	4,130	570	-	27,914	-	27,914			
<b>Total salaries and related benefits</b>	<b>33,125</b>	<b>52,357</b>	<b>238,484</b>	<b>60,754</b>	<b>8,021</b>	<b>-</b>	<b>392,741</b>	<b>35,847</b>	<b>428,588</b>			
<b>Other Expenses</b>												
Supplies	740	5,172	6,054	-	2,498	-	14,464	-	14,464			
Travel and meetings	696	2,473	4,846	1,344	2,624	-	11,983	-	11,983			
Rent and utilities	9,651	23,384	27,649	2,856	-	-	63,540	27,050	90,590			
Interest	-	19,413	-	-	-	13,386	32,799	-	32,799			
Insurance	2,691	6,408	7,712	379	-	3,589	20,779	-	20,779			
Other expenses	25,929	57,302	44,324	2,851	-	3,212	133,618	-	133,618			
<b>Total other expenses</b>	<b>39,707</b>	<b>114,152</b>	<b>90,585</b>	<b>7,430</b>	<b>5,122</b>	<b>20,187</b>	<b>277,183</b>	<b>27,050</b>	<b>304,233</b>			
<b>Total Expenses Before Depreciation and Amortization</b>	<b>72,832</b>	<b>166,509</b>	<b>329,069</b>	<b>68,184</b>	<b>13,143</b>	<b>20,187</b>	<b>669,924</b>	<b>62,897</b>	<b>732,821</b>			
<b>Depreciation and amortization</b>	<b>14,807</b>	<b>-</b>	<b>-</b>	<b>21,939</b>	<b>-</b>	<b>5,767</b>	<b>42,513</b>	<b>-</b>	<b>42,513</b>			
<b>Total Expenses</b>	<b>\$ 87,639</b>	<b>\$ 166,509</b>	<b>\$ 329,069</b>	<b>\$ 90,123</b>	<b>\$ 13,143</b>	<b>\$ 25,954</b>	<b>\$ 712,437</b>	<b>\$ 62,897</b>	<b>\$ 775,334</b>			

# THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT

## Statement of Functional Expenses

Year Ended December 31, 2004

	Program Services						Supporting Services
	Residential Center	After School Tutoring	Literacy Training	Employment Training	Low Income Housing	Total Program Services	
<b>Salaries and Related Benefits</b>							
Salaries	\$ 19,680	\$ 192,668	\$ 255,523	\$ 284,647	\$ -	\$ 752,518	\$ 142,358
Employee health and retirement benefits	305	5,328	7,104	10,948	-	23,685	-
Payroll taxes and other	1,505	14,739	19,548	21,775	-	57,568	2,950
<b>Total salaries and related benefits</b>	<b>21,490</b>	<b>212,736</b>	<b>282,174</b>	<b>317,370</b>	<b>-</b>	<b>833,770</b>	<b>145,308</b>
<b>Other Expenses</b>							
Supplies	654	5,773	8,207	3,051	-	17,685	1,176
Travel and meetings	835	2,586	6,012	10,570	-	20,004	2,657
Rent and utilities	7,216	22,277	25,769	16,673	-	71,936	26,295
Telephone	1,423	12,008	17,375	15,109	-	45,915	1,047
Insurance	2,065	10,876	12,050	10,059	33,857	68,908	3,427
Other expenses	21,710	57,634	126,610	122,473	42,162	370,589	40,133
<b>Total other expenses</b>	<b>33,903</b>	<b>111,154</b>	<b>196,024</b>	<b>177,936</b>	<b>76,019</b>	<b>595,036</b>	<b>74,735</b>
<b>Total Expenses Before Depreciation and Amortization</b>	<b>55,393</b>	<b>323,890</b>	<b>478,199</b>	<b>495,306</b>	<b>76,019</b>	<b>1,428,806</b>	<b>220,043</b>
Depreciation and amortization	7,914	8,100	8,321	-	6,670	31,005	8,100
<b>Total Expenses</b>	<b>\$ 63,307</b>	<b>\$ 331,990</b>	<b>\$ 486,520</b>	<b>\$ 495,306</b>	<b>\$ 82,689</b>	<b>\$ 1,459,811</b>	<b>\$ 228,143</b>
							<b>\$ 1,687,954</b>



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**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**

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**Statements of Cash Flows****Years Ended December 31, 2005 and 2004**

	2005	2004
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 69,320	\$ 113,675
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	42,513	39,104
Gain on sale of assets	-	(24,710)
In kind donation of property	-	(17,500)
(Increase) decrease in:		
Contractual reimbursements receivable	14,678	30,025
Prepaid and other	(2,030)	(10,518)
Increase (decrease) in:		
Accounts payables	(29,976)	14,245
Accrued expenses	1,158	(3,633)
<b>Net Cash Provided By Operating Activities</b>	<b>95,663</b>	<b>140,688</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	40,000	(90,000)
Purchase of buildings and equipment	(16,531)	(252,054)
Proceeds from sale of assets	-	136,732
<b>Net Cash Provided By (Used in) Investing Activities</b>	<b>23,469</b>	<b>(205,322)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from notes payable and long term debt	20,000	415,616
Payments on notes payable and long term debt	(20,136)	(385,430)
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b>(136)</b>	<b>30,186</b>
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>118,996</b>	<b>(34,448)</b>
<b>Cash And Cash Equivalents</b>		
Beginning	8,074	42,522
Ending	\$ 127,070	\$ 8,074
<b>SUPPLEMENTAL DATA</b>		
Interest Paid	\$ 32,703	\$ 35,311

See Notes to Financial Statements.

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## THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT

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*Notes to Financial Statements*

*December 31, 2005*

### 1. Nature of Activities and Significant Accounting Policies

**Nature of Activities.** The Church United for Community Development is a nonprofit Organization organized under the laws of the State of Louisiana to partner with government, schools, businesses and community organizations to improve the quality of life for its citizens by building strong families, providing education and training and teaching integrity, character and leadership. It operates principally in East Baton Rouge and Ascension Parishes, Louisiana.

Program services are supported through allocations received from contractual governmental support and grants from the State of Louisiana which amounted to \$363,084 and \$1,445,682 for the years ended December 31, 2005 and 2004, respectively. This amounted to 47% and 87% of total support and revenue excluding in kind contributions for the years ended December 31, 2005 and 2004. As the Organization depends primarily on contractual governmental support and in kind contributions, future operating results are contingent on the Organization's continuing ability to secure contracts and grants from the State of Louisiana and others.

A summary of the Organization's significant accounting policies follows.

**Public Support and Revenue.** The financial statements are prepared on the accrual basis of accounting. Financial statements presentation follows the recommendations of the Financial Accounting Standards Board Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, non-profit organizations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Unrestricted Net Assets** are net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

**Temporarily Restricted Net Assets** are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and /or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Permanently Restricted Net Assets** are net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. There are no permanently restricted assets recorded in these financial statements.

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## THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT

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*Notes to Financial Statements, Continued*

*December 31, 2005*

**Expenses.** Program services expenses are the direct and indirect costs related to accomplishing the Organization's objectives. Supporting services are expenses for activities not directly related to the purpose for which the organization exists.

**Functional Allocation of Expenses.** The cost of providing various programs and supporting services have been reported on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the various programs and supporting services based on estimates made by management.

**Cash and Cash Equivalents.** For purposes of reporting the statement of cash flows, the Organization includes all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents on the accompanying statement of financial position.

**Investments.** The Organization has adopted Statement of Financial Accounting Standards No. 124, "Accounting for Certain Investments Held by Non-Profit Organizations," whereby investments in marketable securities with readily determinable fair market values and all investments in debt securities are reported at their fair values in the statement of financial position.

**Concentration of Credit Risk.** The Organization maintains cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed federally insured limits. At December 31, 2005, the Organization's bank balances were not in excess of insured limits.

**Recognition of Contractual Reimbursements From State Government.** The Organization receives most of its program support from state government. The program recovers its costs on a contracted basis with the State of Louisiana based on budgets approved by the State. Revenues are recognized when services are performed.

**Deferred Income.** Deferred income represents advance payments on grants from the State of Louisiana. These payments are recognized as income over the period earned.

**Income Taxes.** The Organization qualifies for taxation as a nonprofit Organization under §501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of §509(a) of the Internal Revenue Code.

**Land, Buildings and Equipment.** Expenditures for the acquisition of land, buildings and equipment are capitalized at cost. The fair value of donated furniture and equipment is similarly capitalized. Depreciation is computed by the straight line and accelerated methods over the following useful lives.

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## THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT

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Notes to Financial Statements, Continued

December 31, 2005

	Years
Office Equipment	3 - 7
Vehicles	3
Buildings and improvements	25 - 40

Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization's management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Donated Services and Non-Cash Assets. A significant portion of the Organizations functions are conducted by unpaid board members and volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria necessary for recognition. Contributions of donated non-cash assets are recorded at their fair values when received.

### 2. Note Receivable

The note receivable includes an unsecured demand note dated November 15, 2004, from The Lazard Group, Inc. with simple interest on the unpaid principal of 15% per annum.

### 3. Contractual Reimbursements

December 31, 2005	Contract Number	Contract Period	Total Contract	Recognized Support
State Office of Social Services	598088	7/1/05-6/30/06	\$ 11,730	\$ 5,184
State Office of Social Services	607089	12/15/04-08/31/05	147,316	64,723
Family and Youth Services Bureau	16810100	7/1/03-6/30/06	316,096	273,035
Department of Homeland Security	357800	1/1/05-12/31/05	7,000	7,000
Department of Labor	PE142490660	11/10/05-11/09/06	659,391	13,142
				<u>\$ 363,084</u>

## THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT

*Notes to Financial Statements, Continued*

*December 31, 2005*

December 31, 2004	Contract Number	Contract Period	Total Contract	Recognized Support
State Office of Social Services	598088	7/1/03-6/30/05	\$ 11,730	\$ 6,552
State Office of Social Services	607089	12/15/03-08/31/04	147,316	113,552
State Dept of Public Safety	607268	10/01/03-9/30/04	512,171	501,877
Maternal & Child Health Bureau	16810100	7/1/03-6/30/06	316,096	323,829
Department of Homeland Security	357800	1/1/04-12/31/04	5,000	5,000
Department of Education	2804EPK6	2/1/04-8/31/04	200,000	200,000
	2805EPK6	10/1/04-6/30/05	110,636	44,240
	603641	9/1/03-8/31/04	352,327	250,632
				<u>\$ 1,445,682</u>

#### 4. Contractual Reimbursements Receivable

	2005	2004
State of Louisiana - Dept of Education	\$ -	\$ 44,240
State of Louisiana - Office of Social Services	-	6,100
U S DHHS-Family and Youth Services Bureau	22,918	399
U S Department of Labor	13,142	-
	<u>\$ 36,060</u>	<u>\$ 50,739</u>

#### 5. Land, Buildings and Equipment

December 31, 2005	Cost	Depreciation Allowed	Net Book Value
Office Equipment	\$ 176,328	\$ 101,982	\$ 74,346
Buildings	333,670	22,174	311,496
Rental Property	230,681	13,445	217,236
Vehicles	22,532	11,918	10,614
Land	12,500	-	12,500
Total	<u>\$ 775,711</u>	<u>\$ 149,519</u>	<u>\$ 626,192</u>

## THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT

*Notes to Financial Statements, Continued*

*December 31, 2005*

December 31, 2004	Cost	Depreciation Allowed	Net Book Value
Office Equipment	\$ 164,828	\$ 80,042	\$ 84,786
Buildings	333,670	13,452	320,218
Rental Property	230,682	7,678	223,004
Vehicles	17,500	5,833	11,667
Land	12,500	-	12,500
Total	<u>\$ 759,180</u>	<u>\$ 107,005</u>	<u>\$ 652,174</u>

### 6. Notes Payable and Long Term Debt

	2005	2004
Note payable to bank collateralized by building and land, interest at 6.25% payable interest monthly until July, 2006	\$ 275,375	\$ 277,816
Line of credit to bank with interest at 8.0% collateralized by accounts receivable	9,455	-
Three notes to bank with interest at 7.5% collateralized by property	105,409	112,560
Two notes to individual, with interest at 8% collateralized by property	<u>75,710</u>	<u>75,710</u>
Total	465,949	466,086
Less current maturities	<u>190,574</u>	<u>188,270</u>
Long term	<u>\$ 275,375</u>	<u>\$ 277,816</u>

Aggregate maturities required on long term debt as of December 31, 2005 are due in the year ending 2008.

### 7. Program Services

**Residential Center.** The Church United for Community Development operates a half way house for men in Gonzales called the "Ascension House". The program is designed to help men get reacquainted into society after being incarcerated or because of addiction to drugs or alcohol. The program teaches fathering skills, financial management, literacy, job skills and life skills. As part

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## THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT

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*Notes to Financial Statements, Continued*

*December 31, 2005*

of the operation of the "Ascension House" the Organization opened a thrift store to provide supplemental funding and employment for the residents.

**Community Outreach.** The Organization raises money from a variety of private sources to be used for community outreach programs. A weekly food distribution is done at various sites, transportation is provided to job sites, court and life skill classes, utility, doctor and hospital bills are paid for needy individuals and missionaries receive support from the Organization.

**After School Tutoring.** The Organization operates an after school tutoring program for students ages 12 to 18. The program is abstinence based and offers a culturally diverse recreation program as well as computer training and similar types of activities.

**Literacy Training.** The Organization classifies expenditures as literacy training for the cost of operating the "Donaldsonville Dream Center" in Donaldsonville, Louisiana and the "Melrose East Dream Center" in Baton Rouge, Louisiana and centers in St. Gabriel and Brusly, Louisiana. The "Dream Center" program teaches computer skills, financial management, adult literacy, provides after school tutoring, a GED program, a wellness program, parenting and child development, music and sewing and other programs for mothers and children. In addition, the program teaches intergenerational reading skills to mothers of preschool age children and preschool readiness. Another program teaches English to the Spanish speaking population in the areas served.

**Employment Training.** The Organization also operates a "Prisoner Release Initiative Program" (PRI). The program is designed to provide educational and vocational job training and job placement, to teach parenting and character development to improve family connections, and to increase the percentage of fathers who are supporting their children financially.

**Low Income Housing.** The Organization has purchased and remodeled homes to rent or sell to low income families. As of December 31, 2005, five homes are being rented. The Organization is also constructing a four unit building which should be completed in September, 2006 to house other low income or homeless families.

### **8. Contributors and Related Party Transactions**

The Organization is a diverse coalition of organizations including government, businesses, schools, faith-based organizations and community agencies.

Significant contributors can significantly influence management and operating policies of the organization. One of the most significant supporters of the Organization is the Healing Place Church of Baton Rouge, Louisiana (HPC). An associate pastor of HPC manages the day to day

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## THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT

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### *Notes to Financial Statements, Continued*

*December 31, 2005*

operations of the Organization and his salary is paid by HPC but he was also paid \$6,350 by the Organization. Also, the Organization's program manager and a grant writer are paid by HPC. Included in unrestricted contributions is \$58,393 and \$41,461 of cash contributions from HPC in the years ended December 31, 2005 and 2004, respectively. Included in rental expenses is \$22,500 paid to HPC in the year ended December 31, 2004.

The Organization also has the free use of other facilities that are used in the various programs. Included in in-kind donations and expenses is \$27,050 of office and copy machine rent and telephone expense. The Organization also received donated assets valued at \$11,250 and \$17,500 in the years ended December 31, 2005 and 2004, respectively.

The Organization also uses facilities in Baton Rouge, Louisiana, that were rented from an organization controlled by a former board member. That rent expense amounted to \$9,900 and \$28,200 for the years ended December 31, 2005 and 2004 respectively and is included in operating expenses.

The value of all in kind donations has been estimated by management to be \$74,147 and \$148,237 in the years ended December 31, 2005 and 2004, respectively. This is reflected on the statement of activities as in kind revenue and expense and is reported as:

	2005	2004
<b>Healing Place Church</b>		
Salaries and benefits	\$ 35,847	\$ 99,412
Office equipment rental	-	2,400
	<u>35,847</u>	<u>101,812</u>
<b>Others</b>		
Rent and utilities	27,050	28,925
Assets	<u>11,250</u>	<u>17,500</u>
	<u>38,300</u>	<u>46,425</u>
	<u>\$ 74,147</u>	<u>\$ 148,237</u>



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**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**

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*Supplementary Information*

*December 31, 2005*

## THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT

## Schedule of Expenditures of Federal Awards

Year Ended December 31, 2005

Federal Grants/Program Title	Contract Number	Federal CFDA Number	Program or Award Amount	Accrued Revenue at January 1, 2005	Cash Received	Revenue Recognized	Expenditures	Accrued Revenue at December 31, 2005
U.S. Department of Health and Human Services (HHS) Family and Youth Services Bureau Pass-Through - State of Louisiana Department of Social Services	1HIDMC016810100	93.010	\$ 316,096	\$ 399	\$ 250,516	\$ 273,035	\$ 273,035	\$ 22,918
		93.558		-	64,723	64,723	64,723	-
				399	315,239	337,758	337,758	22,918
U.S. Department of Labor (DOL)	PE142490660	17.161		-	-	13,142	13,142	13,142
U.S. Department of Homeland Security	357800-003	97.024	7,000	-	7,000	7,000	7,000	-
U.S. Department of Housing and Urban Development (HUD) Pass-Through - State of Louisiana Department of Social Services	598088	14.231	11,730	6,100	11,284	5,184	5,184	-
U.S. Department of Education Pass-Through - State of Louisiana Department of Education	2805-EP-K6	93.558	110,636	44,240	44,240	-	-	-
				\$ 50,739	\$ 377,763	\$ 363,084	\$ 363,084	\$ 36,060

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**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**

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*Notes to Schedule of Expenditures of Federal Awards*

*December 31, 2005*

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of The Church United for Community Development and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
The Church United for Community Development

We have audited the financial statements of The Church United for Community Development (a nonprofit organization) as of and for the year ended December 31, 2005 and have issued our report thereon dated May 18, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered The Church United for Community Development's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our Consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance**

As part of obtaining reasonable assurance about whether The Church United for Community Development's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, the State of Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

PROVOST, SALTER, HARPER & ALFORD, LLC

*Provost, Salter, Harper & Alford, LLC*

May 18, 2006

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors  
The Church United for Community Development

**Compliance**

We have audited the compliance of The Church United for Community Development, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. The Church United for Community Development's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of The Church United for Community Development's management. Our responsibility is to express an opinion on The Church United for Community Development's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Church United for Community Development's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on The Church United for Community Development's compliance with those requirements.

In our opinion, The Church United for Community Development complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

### Internal Control Over Compliance

The management of The Church United for Community Development is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered The Church United for Community Development's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Directors, management, the State of Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

PROVOST, SALTER, HARPER & ALFORD, LLC

*Provost, Salter, Harper & Alford, LLC*

May 18, 2006

# THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT

Schedule of Findings and Questioned Costs

Year Ended December 31, 2005

## Section I – Summary of Auditor's Results

### Financial Statements.

Type of auditor's report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>No</u>
Reportable condition identified not considered to be material weaknesses?	<u>No</u>
Noncompliance material to financial statements noted?	<u>No</u>

### Federal Awards.

Internal Control over major programs:	
Material weakness identified?	<u>No</u>
Reportable condition identified not considered to be material weaknesses?	<u>No</u>
Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, § 510(a)?	<u>No</u>
Identification of major <u>programs</u> :	

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.010	Family and Youth Services Programs

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
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Auditee qualified as low risk auditee?	<u>No</u>
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**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**

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*Schedule of Findings and Questioned Costs, Continued*

*Year Ended December 31, 2005*

*Section II – Financial Statement Findings*

None

*Section III – Federal Award Findings*

None

*Section IV – Independent Auditor's Comment on Resolution of Prior Audit Findings*

In the prior year, duplicate reimbursements were made to an employee. Those amounts were repaid during the current year and no duplicate reimbursements were noted during the current year.

In addition the prior year report was submitted late because the auditor did not complete the audit before June 30. The report for the current year was submitted timely.